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TAGS: AORC CH ENRG KNNP TRGY IAEA
SUBJECT: IAEA BEIJING MINISTERIAL ON NUCLEAR ENERGY - GUIDANCE FOR AMBASSADOR SCHULTE

¶1. (U) THIS IS AN ACTION REQUEST: Please see para 3.

¶2. (U) On April 20-21, 2009, the Government of China, through the China Atomic Energy Authority, will host an international ministerial conference on "Nuclear Energy in the 21st Century." Following the Ministerial Conference held in Paris in March 2005, this conference, organized by the IAEA, is designed to allow participants to discuss developments and emerging issues relevant to the role of nuclear power in providing clear and sustainable energy for national and regional development.

¶3. (SBU) The U.S. delegation to this conference will be led by Ambassador Greg Schulte, the permanent representative of the U.S. Mission to the IAEA. Ambassador Schulte has been asked to give a speech on behalf of Energy Secretary Chu who is unable to attend. The full text of Ambassador Schulte's interagency-cleared speech is provided below. As appropriate, delegation may also draw on the speech text when dealing with other interlocutors in connection with the Conference.

BEGIN SPEECH TEXT:

Ambassador Schulte's Remarks on Behalf of Energy Secretary Chu
IAEA International Ministerial Conference, Beijing
April 20-21, 2009

Introduction

It is a pleasure to participate in this second Ministerial Conference convened by the IAEA here in Beijing. Secretary of Energy Steven Chu has asked that I deliver this speech on his behalf. He sends his sincere regrets that he is unable to attend this event personally. As you know, this week is Earth Week, and the Secretary is very engaged promoting our energy and climate change agenda back in Washington. Let me assure you, however, that the United States views nuclear energy as an important part of our effort to put the world on the road to a low-carbon future.

The global expansion of nuclear energy

It is now widely recognized that nuclear energy has the potential to curtail dependence on fossil fuels and greatly reduce greenhouse gas emissions while promoting greater energy security.

Yet, given the stakes associated with the use ) and potential misuse ) of nuclear energy around the world, it is imperative that all nations with existing or new nuclear power programs play an active role in global efforts to address the safety, security, and safeguards implications of nuclear power.

As President Obama recently stated, it is time we consider a new framework for civil nuclear cooperation, one that allows all interested countries to enjoy the benefits of nuclear

energy while limiting the associated risks of nuclear weapons proliferation. This new framework should include measures that improve energy security, including an international fuel bank and related fuel services arrangements. This conclusion reflects our recognition of the right of nations that comply with global nonproliferation norms to share in the benefits of peaceful nuclear uses.

We also share a responsibility to maintain and strengthen global standards for safety, security and nonproliferation. Today, access to nuclear energy faces significant challenges ) the development of sound infrastructure, the reliable provision of nuclear fuel, and the safe and secure management of spent fuel and nuclear waste. If we succeed in meeting these challenges and discharging these responsibilities, I am confident we will also succeed in promoting the responsible development of nuclear energy.

The IAEA and multilateral cooperation

Over 50 countries have informed the IAEA of their interest in nuclear power. In response to this, the Agency has developed a high-level framework to help states chart a safe, secure, and safeguarded path to nuclear power. The Milestones document, as it is now known, has become an essential reference on the desks of planners tasked with developing a national nuclear power infrastructure.

The United States is a longstanding and strong supporter of the infrastructure development concepts detailed in the Milestones document. More broadly, the United States is committed to increasing the capabilities of the IAEA to better carry out all of its vital functions. Key among them is improved international safeguards. The United States has launched a program to build next generation safeguards technologies and a new community of safeguards experts; to assist full use of IAEA inspection authorities; and to foster a culture of safeguards, security and safety in nations using nuclear energy.

Though a very valuable reference, the Milestones document was not intended for use as a detailed road map to nuclear power. It is the responsibility of each state to assess its own needs, identify its own priorities, and develop its own strategic objectives. However, states need not pursue these tasks alone, and there is plenty of guidance available through pursuit of civil nuclear cooperation.

In addition to the vital role of the IAEA, other multilateral groups are addressing the challenges facing nuclear energy today. Forums such as the International Energy Agency, the Nuclear Energy Agency, the Generation IV International Forum, and the Global Nuclear Energy Partnership ) or GNEP ) complement and build upon the important work of the IAEA.

The international community through GNEP, as currently structured, has established two working groups, both with significant involvement from the IAEA. The first addresses infrastructure development and seeks to help states begin implementing the guidance conveyed in the Milestones document. The second working group addresses reliable nuclear fuel services as a viable alternative to the acquisition of sensitive fuel cycle technologies. We need to take full advantage of these and other exchanges to seek solutions and innovations to bring about the new framework proposed by President Obama.

Bilateral civil nuclear cooperation

Besides these multilateral avenues, new entrants have much to gain through bilateral cooperation Governments with long nuclear energy histories can help states avoid mistakes made in the past while advancing sustainable programs. The United States has a long history of civil nuclear cooperation dating back to President Eisenhower's historic "Atoms for Peace" speech. A half century later, our commitment to civil nuclear cooperation remains strong. We have agreements that provide a framework for U.S. nuclear cooperation with nearly

50 countries and the IAEA.

In addition, the Department of Energy, including the National Nuclear Security Administration, and the Nuclear Regulatory Commission have dozens of arrangements with their counterpart institutions ) in countries with both developed and emerging programs ) on issues such as energy planning, infrastructure development, site selection, regulatory body strengthening, new reactor safety evaluation and regulation, reactor operation, decommissioning, and waste management.

Industry partners can also provide often-overlooked training and consulting services to help states with the long-term, strategic planning necessary for the century-long commitment that accompanies a nuclear power plant. For our part, the United States is committed to ensuring that all nuclear firms compete exclusively on the merits of their products and services.

Global nuclear liability regime

International cooperation will be greatly facilitated by a global nuclear liability regime based on the Convention on Supplementary Compensation for Nuclear Damage, or the CSC. The United States believes that the CSC is essential to assuring the greatest possible cooperation and taking full advantage of the benefits of nuclear energy. The United States has ratified the CSC and urges other countries to also take this necessary action to establish a key component of a sound nuclear energy infrastructure.

Reliable access to nuclear fuel

A second major challenge we will all face ) reducing the risk of nuclear weapons proliferation ) will require creative measures that allow countries to enjoy the benefits of nuclear power while avoiding the spread of nuclear weapons and the technologies needed to acquire them.

In 2003, Director General ElBaradei renewed the call for international nuclear fuel supply assurances, writing that "the margin of security under the current nonproliferation regime is becoming too slim for comfort." Since then, more than a dozen fuel assurance mechanisms have been proposed, several of which are now under serious consideration in Vienna. These are all designed to supplement the existing fuel market, which all agree is functioning well, to facilitate fuel provision in the case of political disruption.

The United States is committed to working with the IAEA and others to establish a new international nuclear energy architecture ) including an international nuclear fuel bank, international fuel cycle centers, and reliable fuel supply assurances. Over time, these arrangements can be broadened to include the back end of the fuel cycle through cooperation in management of spent fuel and waste. Such multilateral fuel cycle mechanisms would provide responsible states and their utilities with assurances that fuel will always be available for their nuclear plants.

The U.S. domestic view

In the United States, we believe that nuclear energy must remain a significant component of our own energy mix, and we continue to pursue the development of new capacity. Although nuclear energy accounts for only about 20 percent of our total electricity production, it is the source of about 70 percent of all our carbon-free electricity. This we cannot ignore as we strive to meet our climate change objectives.

Our current interest is driven in part by a set of 1992 and 2005 legal provisions that authorize streamlined regulatory processes that combine both construction and operation licenses, government-backed loan guarantees, and tax credits for electricity produced from advanced nuclear power plants. As of March 2009, 17 power companies had applied for combined licenses for 26 new reactors, and another 6 companies had

announced their intention for new licenses over the next 2 years. These license applications reference both U.S. and foreign reactor designs.

Spent fuel management

Looking towards the future, our Department of Energy is currently restructuring its fuel cycle activities, which were previously focused on the near-term deployment of recycling processes and advanced reactor designs, into a long-term, science-based, research and development program focused on the technical challenges associated with managing the back end of the fuel cycle. These challenges will be thoroughly vetted and resolved as we explore long-term solutions for management and disposition of our spent nuclear fuel.

The United States also remains committed to the Generation IV International Forum. There are significant benefits to be gained by all member countries working together on Generation IV technologies in the form of shared resources and expertise and scientific efficiency.

Though technical hurdles exist, we believe that progress made through a robust nuclear research and development program will one day equip us with the advanced tools necessary to deal with the third major challenge facing nuclear energy today ) the safe, secure, and sustainable management of spent nuclear fuel.

Closing

In closing, we are witnessing an unprecedented level of interest in nuclear energy worldwide. While most new reactors will be constructed in existing nuclear energy states, tangible steps are being taken around the world towards brand new nuclear power programs.

If deployed with the highest possible standards of safety, security, and nonproliferation, nuclear energy will play an essential role in combating climate change while advancing peace and promoting sustainable development worldwide. The United States is firmly committed to playing its part to usher in the responsible expansion of nuclear energy.

END SPEECH TEXT.

¶4. (U) Department thanks Mission for its assistance in this matter. The Department's point of contact for this speech is Marc Humphrey (ISN/NESS).
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